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BEFORE THE ARIZONA CORPORATION C  
OPEN MEETING AGENDA ITEM

COMMISSIONERS

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

2010 OCT 12 P 4:46

Arizona Corporation Commission

DOCKETED

OCT 12 2010

DOCKETED BY

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE  
COMPANY FOR A SOLAR ELECTRICAL  
SUPPLY AGREEMENT

DOCKET NO. E-01345A-10-0113

COMMENTS

Arizona Public Service Company ("APS" or "Company") hereby files comments in response to new issues raised at the Arizona Corporation Commission's ("Commission) Open Meeting held on September 22, 2010 ("September 22nd Open Meeting"), where initial discussions regarding the Company's Application in this docket were heard. APS is also providing comments regarding Chairman Mayes' Proposed Amendment 1 ("Mayes Amendment 1").

As expressed in the September 22nd Open Meeting, APS has great concerns regarding the Commission's expressed interest in revisiting the final decision rendered on the Renewable Energy Credit ("REC") and Energy Contract Model, approved in Decision No. 71459.<sup>1</sup> This would undermine the certainty needed to progress on renewable energy development and may have repercussions for APS and the renewable market participants beyond the scope of this project. In addition, such a policy shift would be occurring not in a proceeding directly involving the Renewable Energy Standard ("RES") Rules<sup>2</sup> or the Company's RES Implementation Plans, but rather, in the docket making a determination on the Solar Electric Supply Agreement ("Solar Agreement") with Freeport-McMoRan Bagdad Inc. ("Freeport-McMoRan").

<sup>1</sup> Issued January 29, 2010.

<sup>2</sup> A.A.C. R14-2-1801 through 1816.

1 Pursuant to Decision No. 71459, renewable projects that fall within the REC and  
2 Energy Contract Model are distributed energy ("DE") resources that count toward compliance  
3 with the DE requirements of the RES Rules.<sup>3</sup> The renewable facilities to be constructed at the  
4 Bagdad Mine are precisely such a project. If the Commission were to prohibit the Bagdad  
5 Mine project as counting towards the RES DE requirement now, it would be reversing course  
6 on a prior Commission decision.

7 To alter, amend or rescind a final Commission decision requires specific legal process,  
8 and cannot be done without meeting the notice and hearing prerequisites required by Arizona  
9 Revised Statute ("A.R.S.") § 40-252. Therefore, such action would deny the parties due  
10 process in the case at hand. However, if the Commission believes modifications to this  
11 contract model should be considered in the future, the Commission has the opportunity to  
12 make such a change in APS's 2011 Implementation Plan docket,<sup>4</sup> without affecting the due  
13 process rights of the interested parties. A decision rendered in this regard would apply on a  
14 prospective basis, and could not interfere with contracts entered in good faith in reliance upon  
15 Decision No. 71459.

16 **Approval Requested: The Solar Electrical Supply Agreement**

17 APS is seeking approval of a Solar Agreement, under which Freeport-McMoRan  
18 would pay APS a fixed rate ("Solar Energy Charge") for a period of 25 years for the  
19 renewable energy from the 15 megawatt photovoltaic ("PV") plant that will be constructed at  
20 the Bagdad Mine. The solar facility will be owned and operated by RE Bagdad Solar 1 LLC,  
21 a subsidiary of Recurrent Energy.

22 APS is not seeking approval for the project at the Bagdad Mine, or for the Purchase  
23 Power Agreement ("PPA") that was executed by Recurrent Energy and APS, because the  
24 Commission has already approved the underlying transactional approach in Decision No.  
25 71459. In that Decision, the Commission approved the Company's 2010 Implementation  
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28 <sup>3</sup> A.A.C. R14-2-1805.

<sup>4</sup> Docket No. E-01345A-10-0166.

1 Plan ("2010 Plan"), which included the REC and Energy Contract Model, a described annual  
2 and lifetime budget, and the associated resultant energy.

3 For the Bagdad Mine project to be completed, there are multiple tasks that must be  
4 completed in parallel, such as permitting, financing and interconnection. Commission  
5 approval of the Solar Agreement is a critical component, as it is a condition to the Purchase  
6 Power Agreement and is necessary for Recurrent Energy to receive financing for the project.  
7 Significant technical challenges with interconnecting the solar system to APS's distribution  
8 system exist, and the parties are working diligently to understand and resolve the issues and  
9 mitigate any risks to reliability that could result. Because the federal cash grant-in-lieu of the  
10 investment tax credit ("Federal Grant") expires at year end, and certain construction  
11 milestones must be accomplished before then for the project to move forward, Commission  
12 approval of the Solar Agreement is needed now, so as not to jeopardize the viability of the  
13 project.

14 **Procedural History: Approval of the REC and Energy Contract Model**

15 A review of the procedural history leading up to the Commission's approval of the  
16 REC and Energy Contract Model provides clear evidence that projects developed under this  
17 transactional model were to be considered DE resources. Renewable energy in Arizona has  
18 grown dramatically since the Commission adopted the RES Rules in 2007. An evolving  
19 industry, emerging technologies and growing customer interest have been hallmarks of the  
20 initial years under the RES Rules.

21 As expected in a developing market where regulatory incentives play a key role,  
22 regulatory issues related to the interpretation and application of the RES Rules have arisen  
23 over time, and APS has been involved in many discussions with the Commission, the industry  
24 and customers regarding renewable energy. When presented with non-standard proposals or  
25 new approaches to renewable energy, APS has sought Commission guidance on how to  
26 proceed. For example, APS has requested Commission clarification on whether a biomass  
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1 thermal system was eligible for incentives;<sup>5</sup> how to provide regulatory certainty related to  
2 cost recovery for long-term incentive commitments;<sup>6</sup> and whether and how residential  
3 incentives should be modified to spread funds among more customers.<sup>7</sup> Likewise, when it  
4 came to examining innovative renewable project transaction models for DE, APS provided  
5 guidance on the scale and direction its efforts were headed in its 2009 Implementation Plan  
6 (“2009 Plan”) filing, and specifically brought its proposals to the Commission for approval in  
7 its 2010 Plan filing.<sup>8</sup>

8       The historical context is instructive in understanding the development of the REC and  
9 Energy Contract Model. In 2007 and 2008, compliance with the RES’s aggressive DE  
10 requirement was difficult, and there was great uncertainty regarding customers’ future  
11 interests in investing in renewable energy.<sup>9</sup> Even with the Commission-approved incentive  
12 programs, customers were still required to make a substantial personal investment to install a  
13 renewable facility on their premises. During these years, there were millions of unspent DE  
14 incentive funds at year end. For example, in 2008, there was a \$14 million surplus on  
15 October 31, with approximately \$8 million forecasted by year end.<sup>10</sup>

16       In an effort to increase distributed resources on the APS system and provide potential  
17 cost savings for the DE Program, in APS’s 2008 Implementation Plan, the Company

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19 <sup>5</sup> Docket No. E-01345A-08-0254; Decision No. 70532 (Sept. 30, 2008).

20 <sup>6</sup> Decision No. 70654 (Dec. 18, 2008) at 9. *See also* discussion in APS’s Supplemental Information to its 2009  
21 Renewable Energy Standard Implementation Plan at 2-5, which was filed in Docket No. E-01345A-08-0331  
22 on October 10, 2008.

23 <sup>7</sup> Two different filings were made in Docket No. E-01345A-09-0338 regarding the residential incentives: the  
24 March 31, 2010, Application for Modification of Residential Incentives was addressed in Decision No. 71686  
25 (April 30, 2010); the August 2, 2010, Request for Clarification and Modification of Residential Incentive was  
26 addressed in Decision No. 71913 (Sept. 28, 2010).

27 <sup>8</sup> Docket No. E-01345A-09-0338.

28 <sup>9</sup> As stated in APS’s 2008 Implementation Plan:

Considerable public discussion has surrounded the DE targets described in the RES. This  
discussion has centered on questions related to the magnitude of customer interest in DE, the effect  
of introducing many new distributed technologies, the ability of the technology suppliers and  
installers to meet the potential customer demand, and ultimately, the total cost of incentives  
required to drive the required customer participation to meet RES compliance. The extent of  
customer participation is the primary driver of DE results and it is simply unknown and  
unknowable at this time. (*Emphasis added.*)

2008 Implementation Plan at 3; Docket No. E-01345A-07-0468, filed August 7, 2007.

<sup>10</sup> *See* Decision No. 70654 (Dec. 18, 2008) at 9.

1 informed the Commission that it intended to issue an RFP for DE during the second half of  
2 2008 ("DE RFP"). With that solicitation, APS was seeking alternatives to the standard DE  
3 model, because at that time, under the standard model, compliance with the DE requirements  
4 proved difficult to achieve. APS anticipated that one of the outcomes of the DE RFP would  
5 be DE projects that would have a lower cost than current non-residential DE incentives.<sup>11</sup>  
6 This solicitation was not related to APS's utility scale plans or procurement because APS was  
7 on track for meeting the RES renewable generation requirements. The smaller projects from  
8 the DE RFP were not necessarily expected to be priced competitively with larger scale  
9 projects.

10 The results of the DE RFP were introduced in the Company's 2009 Plan and later  
11 discussed in detail in APS's 2010 Plan. APS had received submittals from 12 separate  
12 entities, representing 22 distinct proposals, which were principally focused on PV  
13 installations for non-residential customers. All proposals that represented a reduced cost, as  
14 compared to funding the same projects through the Company's standard renewable energy  
15 incentive program ("REIP"), were short-listed for further discussions.<sup>12</sup>

16 The Commission had specifically discussed this DE transactional model in Decision  
17 No. 71459, which approved APS's 2010 Plan. Finding of Fact No. 15 states:

18 APS also proposes a Renewable Energy Credit ("REC") and Energy Contract  
19 Model, by which APS works with a DE developer and DE on a customer's site  
20 would be purchased by APS, and the customer would contract with APS to buy  
back the renewable energy.<sup>13</sup>

21 Decision No 71459 also specifically discussed the incentive budget for the projects that  
22 resulted from the DE RFP. Finding of Fact 21 states:

23 APS views projects resulting from the DE RFP as substantially the same as  
24 commitments under the PBI [Production Based Incentive] program. As a result,  
25 the Company has included those commitments in its calculation of lifetime PBI  
26 authorization. In 2010, the lifetime PBI authorization necessary to implement  
those projects and program described by this Plan totals \$570 million, with \$250

27 <sup>11</sup> APS 2009 Implementation Plan at 6; Docket No. E-01345A-08-0331, filed July 1, 2008.

28 <sup>12</sup> See APS 2010 Implementation Plan at 4; Docket No. E-01345A-09-0338, filed July 1, 2009.

<sup>13</sup> Decision No. 71459 at 6.

1 million required for the DE RFP, \$100 million of the proposed increasing the  
2 lifetime PBI authorization, and the \$220 previously authorized. (*Emphasis  
added.*)<sup>14</sup>

3 The Commission's approval of the Company's 2010 Plan, including the REC and  
4 Energy Contract Model, is a final Commission decision that approved the structure under  
5 which the Bagdad Mine project was designed. It became effective in January 2010 and  
6 remains in force.

### 7 **Regulatory Certainty**

8 While constraints in financing due to the recession have affected some projects, the  
9 solar industry in Arizona continues to grow, and a multitude of diverse projects are in various  
10 stages of development. Both APS and renewable developers must have confidence that  
11 development will be supported, and regulatory certainty is the foundation to this  
12 development. While state and federal tax incentives play an important role, it is the RES  
13 incentives that are essential for the viability of most projects. Renewable projects are only  
14 built if they have a utility paying for the energy or RECs, and a utility can only afford to make  
15 those commitments if it knows the Commission supports their commitments. Because the  
16 Commission has the ultimate approval of the RES incentive programs, the customers, the  
17 utilities, and the renewable energy industry all rely considerably upon the finality of  
18 Commission decisions.

19 Renewable developers can invest millions of dollars in bringing a project to fruition,  
20 and the certainty that the contracts they have entered into will be honored is critical. Those  
21 contracts not only commit ratepayer funding in the present, but over the many years described  
22 within each contract. The Commission recognized the need to establish certainty over these  
23 long-term commitments and, as a result, has provided APS with lifetime authorizations for  
24 the full value of DE incentive contracts.<sup>15</sup> The DE RFP projects — including the REC and  
25 Energy transactions — were authorized by the Commission under this lifetime authorization  
26 model. The reliability of the Commission decisions that approve the various types of

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27 <sup>14</sup> *Id.* at 7-8.

28 <sup>15</sup> Decision No. 70654 at 12.

1 transactions is vital if the renewable energy resources envisioned under the RES Rules, as  
2 well as APS's commitments regarding renewable energy under the Company's recent  
3 settlement agreement,<sup>16</sup> are to be achieved.

4 The essential regulatory certainty is embedded in the Commission's decisions, and  
5 those decisions cannot be changed lightly. It is firmly established that the law requires  
6 adequate notice of proceedings to persons whose interests are affected thereby, and requires  
7 full opportunity to be heard. Therefore, the necessary procedural requirements set forth in  
8 A.R.S. § 40-252 must be observed before an order or decision can be rescinded, altered, or  
9 amended, which includes providing the affected corporation with notice<sup>17</sup> and an opportunity  
10 to be heard as if on a complaint.

#### 11 **The Size of the Project**

12 At the September 22nd Open Meeting, the Commission expressed concerns regarding  
13 the size of the 15 megawatt project to be constructed at the Bagdad Mine, based on the  
14 amount of non-residential DE incentive funding that would be applied toward this transaction.  
15 APS does not understand this response, because the parameters of this program, which targets  
16 large customers and provides a significant amount of non-residential DE, had been  
17 specifically discussed in the Company's prior request for Commission approval of the REC  
18 and Energy Contract Model. APS's 2010 Plan described the REC and Energy Contract  
19 Model, stating in relevant part:

20  
21 <sup>16</sup> See Decision No. 71448 (Dec. 30, 2009).

22 <sup>17</sup> The Arizona courts have construed whether the Commission's notice complied with the procedural  
23 requirements. In *Gibbons*, the court held that "telephonic notice given in this case, at the very time the hearing  
24 was being held, is not the kind of notice contemplated by the statute since it would afford no opportunity to be  
25 heard." *Gibbons*, 95 Ariz. at 346, 390 P.2d at 584. In *Tonto Creek Estates Homeowners Ass'n v. Ariz. Corp.*  
26 *Comm'n*, the court opined that "[a]bsent the most extenuating circumstances, obtaining actual notice of  
27 charges while seated in the very hearing convened to decide the issues would not afford the parties a  
28 meaningful opportunity to be heard. *Tonto Creek Estates*, 177 Ariz. 49, 56, 846 P.2d 1081, 1088 (App. 1983).  
The courts have held that the general rules and regulations of an administrative board or commission  
prescribing methods of procedure have the effect of law and are binding on the Commission and must be  
followed by it so long as they are in force and effect. *Tucson Warehouse & Transfer Co. v. Al's Transfer*, 77  
Ariz. 323, 327, 271 P.2d 477, 479-480 (1954). Therefore, the Commission would need to comply with the  
notice provisions in the Rules of Practice and Procedure Before the Corporation Commission, A.A.C R14-3-  
101 through 113.

1 In the REC and Energy Contract Model, APS and the DE developer enter into an  
2 agreement to meet the specific needs of large customers. Under this model, the  
3 developer would site the PV system at a customer's facility. APS would  
4 purchase all of the energy and the associated RECs generated by the system.  
5 APS and the customer would then enter into a separate contract/agreement  
6 where the customer would purchase all of the energy from the DE system. This  
7 model provides a more economic way to integrate solar power for very large  
8 energy users. APS believes that this model, while different from the standard  
9 approach where APS purchases only the RECs, qualifies in contributing to the  
10 DE target under the RES.<sup>18</sup> (*Emphasis added.*)

11 APS's 2010 Plan was also explicit regarding the amount of energy that was anticipated under  
12 the proposed DE transactional models, stating:

13 APS has entered into contract negotiations with several counterparties that will  
14 provide over 130,000 MWh/yr of DE projects (when fully deployed) at a  
15 significantly reduced cost when compared to the REIP. This total quantity  
16 represents a little more than one quarter of APS's 2014 DE requirement.<sup>19</sup>  
17 (*Emphasis added.*)

18 Despite the reduced cost for the DE under the REC and Energy Contract Model, APS  
19 recognized the importance of maintaining the standard approach to non-residential DE.  
20 Ultimately, "APS selected only a portion of the proposed projects, first in an effort to gain  
21 additional and specific experience with these types of DE transactions, and second, in an  
22 effort to preserve opportunities for customer projects under other DE programs."<sup>20</sup> (*Emphasis*  
23 *added.*)

24 APS had no reason to expect the Commission to react unfavorably to the size of this  
25 DE project, given the historical discussions regarding the transaction model under which it  
26 was brought. The Commission had not indicated any preference for limitations regarding  
27 project size in Decision No. 71459, and the RES Rules themselves are silent regarding the  
28 size of DE installations. In fact, the Bagdad Mine project is consistent with the definition of  
"Distributed Generation" under the RES Rules, as it will be sited at the customer premises

<sup>18</sup> APS 2010 Implementation Plan at 16. The REC and Energy Contract Model was also described in the Company's Application, which accompanied the filing (*see* Application at 3-6).

<sup>19</sup> APS 2010 Implementation Plan at 15.

<sup>20</sup> *Id.*



1 and provide electric energy to the load on that site.<sup>21</sup> Further, while the size of the project is  
2 large when compared to other “more commonly sized” non-residential DE installations, the  
3 Bagdad Mine project is designed to serve less than ten percent of the customer’s on-site  
4 energy consumption, which is well within the sizing construct of a DE resource.

#### 5 **The Bagdad Mine Project as Utility-Scale Renewable Generation**

6 One of the questions posed at the September 22nd Open Meeting was why the Bagdad  
7 Mine project could not simply be converted to a utility-scale renewable generation project.  
8 The fact is that there are significant programmatic, procurement and economic differences  
9 between DE resources and utility-scale renewable resources.

10 As a DE project, the Bagdad Mine installation is an important resource to APS.  
11 However, this project is not appropriately located to serve the Company’s general electric  
12 service needs as a utility-scale installation. APS would not have selected and would not  
13 remain interested in the development of the facility given the unique location and operational  
14 challenges with this project and the risks it introduces to one of the Company’s largest  
15 customers, were the project not designed to serve as that customer’s DE project.

16 Additionally, there are fundamental differences in economics of the procurement of  
17 distributed resources as compared to utility-scale renewable energy. This can be illustrated  
18 by comparing the cost of the Bagdad Mine project with the results of a recent utility-scale  
19 renewable generation RFP. The final Purchase Power Agreement for energy generated at the  
20 Bagdad Mine facility is above the maximum bid price (\$150 per megawatt hour levelized)  
21 allowed for a developer to be qualified to bid in the 2010 RFP, which was aimed at small  
22 generators with projects up to 15 megawatts (“Small Gen RFP”). APS received  
23 approximately 160 offers in response to the Small Gen RFP, with all of them below the \$150  
24 cap. Some of the offers were significantly below that price threshold.

#### 25 **Unjustified Criticism Regarding Notice of Filing**

26 At the September 22nd Open Meeting, solar industry representatives provided  
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28 <sup>21</sup> See A.A.C. R14-2-1801(E).

1 comments regarding APS's application in this docket, and some of them voiced concern  
2 because they had been unaware of the Solar Agreement filing, and/or of the fact that the REC  
3 and Energy Contract Model authorized this type of project as a DE resource. These criticisms  
4 are unfounded.

5 As discussed above, the REC and Energy Contract Model was the subject of the  
6 Company's 2010 Plan, which was filed in July 2009, and intervenors in that docket received  
7 copies of the filing. As part of APS's standard practice, APS held its annual stakeholder  
8 meetings to discuss the annual Implementation Plan filing. In August 2009, stakeholder  
9 meetings were held to discuss the 2010 Plan, with more than 100 participants in attendance.  
10 The proposed DE transactional models were a part of the discussion.

11 Neither is there merit to some of the industry's complaints that they were not aware of  
12 the Solar Agreement filing at the time of Open Meeting. Indeed, this application was  
13 docketed in March 2010 — six months before the matter reached Open Meeting. There were  
14 no intervenors to this docket, and no notice requirements applied.<sup>22</sup>

15 **Size of Freeport-McMoRan Contribution to RES**

16 There was some discussion at the September 22nd Open Meeting as to whether  
17 Freeport-McMoRan's contribution to RES funding was reasonable in comparison to that of  
18 other customers, or in comparison to the potential economic benefits of the Solar Agreement  
19 to Freeport-McMoRan. Neither comparison is relevant to the issue presented in this docket,  
20 which is whether the Solar Agreement (and the Bagdad solar project that forms the basis for  
21 such Agreement) is in the public interest. Approval of the Solar Agreement results in the  
22 potential for 15 megawatts of solar energy (and all of the benefits of this green resource) that  
23 will not exist absent that approval. Approval of the Solar Agreement allows for reduced costs  
24 of RES compliance — reduced costs that will benefit APS customers other than Freeport-  
25 McMoRan.

26 \_\_\_\_\_  
27 <sup>22</sup> The Commission's Rules of Practice and Procedure provide a procedure where persons who are directly and  
28 substantially affected by a proceeding may secure an order from the presiding officer to intervene in a  
Commission docket. A.A.C. R14-3-105. Only when a person is made a party to the proceeding does APS  
have an obligation under the rules to provide copies of any filed documents. A.A.C. R14-3-107.

1 Freeport-McMoRan (like all APS customers) pays the RES charge that was established  
2 by the Commission. The concept of caps on the total amount that can be assessed any single  
3 APS customer for the RES, and the proportional increase in such caps from time to time,  
4 predates the RES and comes from the time of the Environmental Portfolio Standard ("EPS")  
5 surcharge beginning in 2001, at which time the cap for large industrial customers, such as  
6 Freeport-McMoRan, was established by the Commission at \$39 per month (as compared to  
7 the residential cap which was \$0.35). The proportional increase in the RES caps was  
8 formally adopted by the Commission for APS in Decision No. 67744 (April 7, 2005) and  
9 subsequently carried over into the RES surcharge.

10 APS acknowledges that the RES surcharge caps could be revisited by the Commission,  
11 however, this is not the docket in which to do so. Approval of the Solar Agreement should  
12 not be delayed until such time as the Commission chooses to re-examine the amount of each  
13 customer class' contribution to overall RES funding, particularly because immediate approval  
14 is necessary to ensure the continued viability of the project.

15 **Chairman Mayes' Proposed Amendment No. 1**

16 On September 21, 2010, Chairman Mayes filed an amendment in this docket. There  
17 was no discussion of Mayes Amendment 1 at the September 22nd Open Meeting. Mayes  
18 Amendment 1 requires APS to: 1) notify the Commission if at any point during the lifetime of  
19 the Bagdad Mine project any other non-residential renewable DE system will be rejected by  
20 APS because APS is already in compliance with its non-residential renewable DE  
21 requirements as a result of having signed the Solar Agreement with Freeport-McMoRan; and  
22 2) request from the Commission additional funding for the commercial systems that would  
23 otherwise be precluded.

24 If the objective of Mayes Amendment 1 is that the Commission be informed of the  
25 impact of this particular project, the Recommended Order in this docket already requires that  
26 the Company include specific information as part of the annual RES reporting process,  
27 including the annual kilowatt hour output of the solar facilities, the value of the costs of  
28

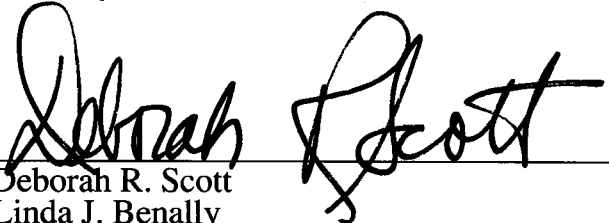
1 comparable conventional generation, and the amount deposited into the REST fund as a result  
2 of this transaction for the relevant reporting period.<sup>23</sup>

3 APS does not believe that it can move forward on this proposal if Mayes Amendment  
4 1 is adopted. APS's Implementation Plans reflect that the Company will be exceeding  
5 compliance for non-residential DE requirements for the next several years, without specific  
6 reliance on the RECs provided by the Bagdad Mine project transaction. Should Mayes  
7 Amendment No. 1 be adopted, as APS understands the amendment, the Company would have  
8 to make such notifications and requests for each and every subsequent non-residential DE  
9 project that APS pursues or rejects. In practical application, the amendment adds  
10 unmanageable administrative burdens, but more importantly, it could be read to essentially  
11 increase the Company's non-residential DE requirement beyond what is required by the RES  
12 Rules. While the Company has made near-term commitments in its approved RES  
13 Implementation Plans to exceed the non-residential DE requirement, the Company believes  
14 that requiring APS alone to make this new level of commitment for the full duration of the  
15 RES Rules without the due process of a rulemaking would not be appropriate.

16 **Conclusion**

17 Based on the Company's Application, the discussion at the September 22nd Open  
18 Meeting, and the discussion set forth above, APS respectfully requests that the Commission  
19 adopt the Recommended Order, as written.

20 RESPECTFULLY SUBMITTED this 12th day of October, 2010.

21  
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23 By:   
24 Deborah R. Scott  
Linda J. Benally  
Attorneys for Arizona Public Service Company

25 ORIGINAL and thirteen (13) copies  
26 of the foregoing filed this 12th day of  
27 October, 2010, with:

28 <sup>23</sup> See Recommended Order at 7 (Sept. 9, 2010).

1 Docket Control  
2 ARIZONA CORPORATION COMMISSION  
3 1200 West Washington Street  
4 Phoenix, Arizona 85007

5 COPY of the foregoing mailed/delivered this  
6 12th day of October, 2010 to:

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Copy of the foregoing mailed/delivered this 12<sup>th</sup>  
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